

SECRET

Approved For Release 2003/01/28 : CIA-RDP78-04914A000200010003-2

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11 May 1949

MEMORANDUM

TO : Payroll Section, CFB

CONFIDENTIAL

FROM : Chief, Confidential Funds Branch

SUBJECT: Retirement Deductions - Temporary Indefinite Employees

1. Reference is made to the present procedure for processing retirement deductions withheld from salaries of "non-security-cleared pool" employees. To date, retirement deductions for such employees have been held in "Escrow," pending security clearance, at which time the funds held in "Escrow" were deposited in accordance with Civil Service retirement procedure. In the event that security clearance was not granted, resulting in separation, the funds so withheld have been refunded to the employee.

2. The above procedure has been questioned by the CSR Commission and, as a result, has been discussed in a meeting held in the office of the Budget Officer on 10 May 1948, attended by Mr. E. R. Saunders, Budget Officer.

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3. It was the consensus of all concerned that the basis for establishing the procedure described in paragraph 1, above, has been altered: (procedure established, on the premise that such employees were "temporary", whereas, for a considerable length of time, the actual classification has been "temporary indefinite") therefore, the present procedure should be amended to provide for processing of retirement deductions from such employees in accordance with procedure established for all other employees paid from Confidential Funds.

4. Accordingly, effective with the beginning of the pay period next following this date, retirement deductions withheld from salaries of all "pool employees" classified as "temporary indefinite" (or permanent) by the Personnel Office will be deposited in accordance with existing procedure for all other employees. Henceforth, no refunds will be made directly by this Branch. In the event that security clearance is not granted, resulting in the separation of the employee concerned, the employee, if he desires refund of retirement deductions, must apply therefor to the CSR Commission.

5. Funds now held in "Escrow" will be deposited along with all other retirement accounts at the next regularly scheduled date.

Document No. 103
No Change in Class. <input type="checkbox"/>
<input type="checkbox"/> Declassified
Class. Changed To: TS S (C)
Approved For Release 2003/01/28 : CIA-RDP78-04914A000200010003-2
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/s/ [Signature] Chief, Confidential Funds Branch

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